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Colby College Bulletin

TREASURER'S REPORT

May 1st, 1915—April 30th, 1916

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TREASURER'S REPORT

COLBY COLLEGE

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1915-1916

WATERVILLE, ... MAINE
Published for the College . MDCCCCXVI

TREASURER'S REPORT

YEAR ENDING APRIL 30th, 1916

To the Trustees:

In the following Statements and Schedules your Treasurer begs to present his report of the financial operations of the College for the year ending April 30th, 1916, together with such explanations and comparisons as seem appropriate in connection with them.

These Statements and Schedules will be found on pages 23-36 below and in the Appendix, respectively, and are entitled as follows:

Statements	Schedules
A. Balance Sheet	Bonds
B. Debits and Credits	Stocks
C. Summary	Fund Notes
D. Funds	
E. Expense Accounts	
F. Special Gifts	
G. Semester Bill Account	
H. Cash Statement	
I. Balance Sheet, Academies	
J. Income Account, Academies	

CAPITAL ACCOUNTS

The balance sheet showing the assets and liabilities of the corporation at the close of business on April 30th, 1916, and in comparison with April 30th, 1915, is given in Statement A. on pages 23-24. This statement shows a net increase in assets and liabilities of $22,840.02 in the course of the year, and the changes producing this result may conveniently be explained under the following heads:

Increase in Assets

The stock account shows an increase of $600.00 representing the purchase, by the authority of the Committee on Investment and for the account of the A. Bradbury Cottle Fund, of six shares of the preferred stock of the Maine Central Railroad Company.

The fund notes show an increase of $8,604.00 as a result of the following items:

	Dr.	Cr.
Florence Haviland	$ 8,750.00	
Sundry Notes		$ 146.00
Net Increase		8,604.00
	$8,750.00	$8,750.00

The Haviland note is secured by a first mortgage of real estate in Waterville, and was taken by the authority of the Committee on Investment for the account of the following funds of Colby College:

General Fund	$ 5,750.00	
Education Society Fund	500.00	
Abram Snyder Scholarship Fund	1,500.00	
Special Prize Fund	500.00	
Hamlin Prize Fund	500.00	$8,750.00

The sundry notes paid were six notes of amounts from $15.00 to $40.00, all held for the account of the Scholarship Loan Fund.

Notes receivable held on term and semester bill account show an increase of $1,913.01 as a result of the following items:

	Dr.	Cr.
Sundry Notes		
Men's Division	$7,530.90	$6,075.77
Women's Division	879.00	421.12
Net Increase		1,913.01
	$8,409.90	$8,409.90

Of the notes credited in this table $3,063.82 represents uncollectible notes written off on April 30th, 1916—all in the men's division—leaving $3,011.95 actually paid in the men's division and $421.12 actually paid in the women's division. These amounts actually paid in the men's division fall below the amount of new notes taken by the amount of $4,518.95, and in the women's division fall below the amount of new notes taken by the amount of $457.88; so that the account would have shown a net increase of $4,976.83 (instead of a net increase of $1,913.01) if none of these uncollectible notes had been written off. The notes held on April 30th, 1916, show the following distribution:

Men's Division	$13,177.99	
Women's Division	2,224.88	$15,402.87

Other notes receivable show an increase of $131.64 representing the unpaid balance of two small notes taken in connection with the current operations of the College.

Campus and buildings account shows an increase of $21,197.09 representing the cost of the New Dormitory (Hedman Hall) completed in 1915.

Savings Bank deposits show an increase of $7.48 representing the credit to existing deposits in the Waterville Savings Bank of dividends to that amount in accumulation of the special funds and gifts to which they pertain.

The balance due on sundry accounts receivable shows an increase of $295.18 representing changes which are without especial significance.

INCREASE IN LIABILITIES

The funds show an increase of $3,318.77 and the special gifts an increase of $2,967.61, both of which will be discussed under the head of Gains and Losses.

Notes payable show an increase of $20,000.00 representing notes of that amount dated July 1st, 1915, issued under the authority of your vote of June 22nd, 1915, to provide for the payment of the cost of Hedman Hall.

The Chemistry breakage and room deposit accounts show increases of $50.63 and $10.00 respectively neither of which is of especial significance.

DECREASE IN ASSETS

The bond account shows a decrease of $6,154.07 on account of the following items:

	Dr.	Cr.
Maine Central Railroad Co.		
1,000. 1st & Refunding Mtge. 4½s, 1935..	$1,000.00	
Yankton North Side Water Co.		
3,500. Mtge. 7s, 1912 Dividend in Compromise		$1,154.07
Pennsylvania Railroad Co.		
6,000. Convertible 3½s, 1915.....		6,000.00
Net Decrease.....	6,154.07	
	$7,154.07	$7,154.07

The $1,000.00 Maine Central Railroad Company 4½s were bought by the authority of the Committee on Investment. Two dividends in compromise of $3,500.00 Yankton North Side Water Company 7s were received under an agreement authorized by the Committee on Investment to accept 50% of the par value of the bonds. Under this agreement $1,673.85 has thus far been received. The $6,000.00 Pennsylvania Railroad Company 3½s were paid by reason of their maturity. The resultant net decrease in the bond account pertains to the following funds:

	Increase	Decrease
General Fund.....		$6,154.07
Levi M. Stewart Fund.....	$1,000.00	
Special Prize Fund.....		500.00
Hamlin Prize Fund.....		500.00
	$1,000.00	$7,154.07

The new dormitory 1915 account shows a decrease of $9.70, that account having been closed and the entire cost of this dormitory (Hedman Hall) to April 30th, 1916, having been charged to the campus and buildings account.

The unexpired insurance account shows a decrease of $660.72 representing the decrease in the unexpired value of all policies of fire

insurance carried by the College as a result of deducting from the balance of April 30th, 1915, that portion of all premiums paid which pertain to the year.

The balance due from academies shows a decrease of $1,000.00 by reason of the collection of that amount from Hebron Academy in pursuance of your vote of June 24th, 1907, thereby reducing the amount due from that Academy to $1,000.00.

The balance due on unpaid semester bills shows a decrease of $429.51 as a result of the year's operations, leaving unpaid bills to the amount of $2,730.48 standing on the books as of April 30th, 1916. Of these bills $1,854.48 are in the men's division and $876.00 are in the women's division; all of them, except $410.24 in the men's division and $75.00 in the women's division, accrued during the year ending April 30th, 1916, and many of them are awaiting adjustments not yet determined. The details of all transactions relating to semester bills are given in Statement G. on page 32.

The cash account shows a decrease of $1,654.38 in the amount of cash on hand at the end of the year which results from changes which do not appear to have any especial significance.

DECREASE IN LIABILITIES

The balance standing to the credit of the athletic association dues account shows a decrease of $44.00 which has no bearing on the general finances of the College.

The balance to the credit of the profit and loss account (representing the net surplus on all the accounts of the corporation after charging and crediting funds and special gifts with all the losses and gains that pertain to them) shows a decrease of $3,462.99 as the result of a loss on the profit and loss account and a gain on the income account. These changes will be discussed under the head of Gains and Losses.

GAINS AND LOSSES

The gains and losses resulting from the year's operations may be presented most conveniently, as in previous years, under the head of Fund Accounts, Special Gifts, Income Account and Profit and Loss Account. The result in each group will be treated separately up to the point where all are merged in a final summary showing the net result of all operations.

FUND ACCOUNTS

The operations relating to the funds are shown in detail in Statement B. on pages 25-26 giving the credits to all fund accounts and showing a gain of $3,318.77 as a result of gains on certain specific funds, as follows:

The Abram Snyder Scholarship Fund shows a credit of $1,500.00 representing the actual gain from the gift of W. H. Snyder estab-

lishing a new fund in honor of his father upon the terms set forth in the records of your meeting held on June 21st, 1915.

The Knox Scholarship Fund shows a credit of $1,614.10 representing the actual gain from the testamentary gift of Franklin Simmons establishing a new fund in memory of Reverend George Knox upon terms set forth in the records of your meeting held on April 28th, 1916.

The Class of 1888 Scholarship Fund, the Foster Memorial Prize Fund and the Class of 1899 Library Fund show credits of $2.62, $85.75 and $3.80 respectively, representing the actual gains from the income of the funds for the year ending April 30th, 1916, added to the principal as usual.

The A. Bradbury Cottle Fund shows a credit of $112.50 representing the actual gain from further contributions by members of the Class of 1891 toward the purpose for which the fund was established in 1911.

There were no losses during the year chargeable to the funds, and therefore the gross gains shown above represent actual net gains on the fund accounts to the amount of $3,318.77.

SPECIAL GIFTS

The special gifts show a gain of $2,967.61 representing the excess of receipts above expenditures on account of such gifts, as shown in detail in Statement F. on page 31. The special gifts received during the year (not including those designated for the account of permanent funds) are as follows:

Designation	Donors	Amount
Lectures		
Lectures	R. J. Stetson.....	$ 200.00
Special Account		
President's Discretion	C. A. Dean.....$500.00 M. A. Whitney... 100.00	600.00
Forrest Goodwin Prize		
Public Debating	Matie E. Goodwin.....	100.00
F. M. Hallowell Prize		
Public Speaking	F. M. Hallowell.....	100.00
W. H Lyford Prize		
Interscholastic Speaking	W. H. Lyford.....	200.00
G. E. Murray Prize		
Public Debating	G. E. Murray.....	100.00
Boys' Loan		
Loans to Needy Students	W. W. Drew.....	30.00
D. W. Hall Scholarship		
Scholarship for Needy Students	D. W. Hall.....	50.00
Leslie C. Cornish		
Pictures, etc.	Leslie C. Cornish.....	75.00
Sherman D. Porter		
President's Discretion	Estate of Sherman D. Porter	4,750.00

Christmas, 1914		
President's Discretion	Contribution	10.00
Christmas, 1915		
President's Discretion	Contribution	3,537.65
		$9,752.65

In addition to the gifts described in the foregoing table various gift accounts have received credits during the year otherwise than by direct donation, as follows:

Benjamin Loan		
Loan Notes Paid.....	$ 433.38	
Income, Benjamin Loan Fund.....	250.00	$683.38
Boys' Loan		
Loan Notes Paid.....		35.45
Warren Art		
Dividend on Deposit.....		1.06
		$719.89

These additions bring the total amount received up to $10,472.54 as shown in Statement F.

Income Account

The operations relating to the income account are shown in detail in Statement B. on pages 25-26 giving the debits and credits to this account and showing a net gain or surplus of $8,404.49. This gain follows a gain in the previous year of $6,982.51, making a difference or comparative gain in surplus income, as between the two years, of $1,421.98. This difference is the result of an increase in income to the net amount of $2,204.24 and an increase in expense to the net amount of $782.26.

Income Credits

The credits to income show the following results in comparison with the previous year:

	Increase	Decrease
Invested Funds.....		$448.83
Interest	$ 311.66	
Semester Bills.....	1,455.57	
Sundries	885.84	
Net Increase.....		2,204.24
	$2,653.07	$2,653.07

The decrease in the income from invested funds is the result of decreases in the income from securities held for the account of the General Fund and of the Education Society Fund because of the default in the payment of interest on the following bonds:

Missouri, Kansas & Eastern Railway Co.
$20,000 5s, April, 1916, General Fund Account..... $500.00
Maryland & Pennsylvania Railroad Co.
$10,000 4s, March, 1916, Education Society Fund Account 200.00

The situation with reference to the Missouri, Kansas & Eastern Railway Company will be considered below under the head of Investments. The apparent default in the payment of the March coupons on the Maryland & Pennsylvania Railroad Company 4s was due to an error on the part of the bank in New York to which they were sent for collection. This error was discovered and the coupons paid after the close of the fiscal year. In the other funds the changes are of no especial significance and result in a slight increase in comparison with the previous year.

The increase in interest received outside the invested funds results from increases in the interest received on notes held on term and semester bill account, on notes held on other accounts and on bank balances.

The increase in the income received from sundry sources results from increases in the boarding department and in other items less a decrease in general income.

The increase in the income received from the two semester bills, covering an entire academic year, is due chiefly to an increase in the average number of students in the Women's Division, giving an increase in the boarding charges, and to an increase in dormitory charges in the Men's Division as a result of the completion and occupation of Hedman Hall. The charges on these bills show the following classification and result in comparison with the previous year:

	Total	Increase	Decrease
Semester Charges			
Tuition, etc.....	$38,790.00		$990.00
Dormitory Charges			
Room Rent, etc.....	15,159.00	$ 544.46	
Boarding Charges			
Board at Foss Hall.....	16,352.00	1,547.50	
Department Charges			
Fees, etc.....	2,516.00	90.00	
Sundries	660.99	263.61	
	$73,477.99	$2,445.57	$990.00
Net Increase			1,455.57
	$73,477.99	$2,445.57	$2,445.57

The following table shows the average number of students in College in each one of the years indicated:

1909.....276	1913.....391
1910.....291	1914.....401
1911.....349	1915.....442
1912.....396	1916.....430

The decrease of 12 shown in the table in the average number of students is the net result of an increase in the Women's Division and a decrease in the Men's Division.

INCOME DEBITS

The charges to income show the following results in the comparison with the previous year:

	Increase	Decrease
Expense of Education	$1,369.07	
Expense of Operation	705.99	
Other Charges		$1,292.80
Net Increase		782.26
	$2,075.06	$2,075.06

The increase in the charges representing expense of education results from the following changes in the accounts of which that group is composed:

	Increase	Decrease
Departments	$ 17.19	
Prize		$20.00
Salary	636.58	
Scholarship Aid	1,171.80	
Sundry Expense of Education		436.50
	$1,825.57	$456.50
Net Increase		1,369.07
	$1,825.57	$1,825.57

The increase in the charges representing expense of operation results from the following changes in the accounts of which that group is composed:

	Increase	Decrease
Fuel	$ 5.38	
Light	45.35	
Water	128.76	
Service		$203.19
Boarding Supplies	1,000.00	
Repairs	500.00	
Advertising		120.39
Printing		66.41
Insurance		10.72
Office Expense		3.41
Sundry Expense of Operation		569.38
	$1,679.49	$973.50
Net Increase		705.99
	$1,679.49	$1,679.49

The decrease in the charges representing all other charges to income results from the following changes:

	Increase	Decrease
Interest Payable	$ 500.00	
Discount	516.79	
Special Boarding Supplies		$1,000.00
Special Repairs		1,500.00
Commencement Dinner	190.41	
	$1,207.20	$2,500.00
Net Decrease	1,292.80	
	$2,500.00	$2,500.00

PROFIT AND LOSS ACCOUNT

The operations relating to the profit and loss account including all elements of loss and gain outside of fund accounts, special gifts and income account, are shown in detail in Statement B. on pages 25-26 giving all debits and credits to the account and showing a net loss of $11,867.48.

The charges to this account are as follows:

$16.50 for history department dues on sundry notes written off on April 30th, 1915.

$2,750.00 for salary in recognition of special services in pursuance of your vote of June 21st, 1915.

$817.50 for scholarship aid and $253.47 for discount allowed under your appropriation of June 21st, 1915, on semester bills accrued prior to the present fiscal year.

$2,794.82 for notes held on account of term and semester bills accrued in previous years, and $82.34 for a balance on account with students occupying North College and Roberts Hall for lighting, all deemed uncollectible.

$4.57 for premium paid on $1,000.00 Maine Central Railroad Co. First & Refunding Mortgage 4½s bought for the account of the Levi M. Stewart Fund and charged to this account in pursuance of the policy established in 1915.

$5,300 for special repairs to Coburn Hall, North College and Dutton House under your appropriations of June 21st, 1915 and January 15th, 1916.

The credits to this account are as follows:

$92.50 for amounts collected on notes held on term and semester bill account previously written off as uncollectible.

$59.22 for amount collected on a semester bill previously written off as uncollectible and for a new semester bill pertaining to the year ending April 30th, 1915, received subsequently for collection.

In addition to the credits shown in Statement B. the profit and loss account received credit, on the final closing of the books, for the $8,404.49 gained on the income account, making a total net deficit to

the profit and loss account of $3,462.99 resulting from the year's operations, as shown in the Summary in Statement C. This net debit deducted from the surplus of May 1st, 1915, leaves a surplus of $32,508.64 as shown by the balance sheet of April 30th, 1916.

The following table shows the net losses and gains on all accounts on each year's operations, beginning May 1st, 1902:

April 30th	Loss	Gain
1903		$24,988.42
1904	$50,156.21	
1905		10,691.61
1906		14,983.74
1907	4,802.08	
1908	2,720.54	
1909		10,878.50
1910		10,013.10
1911		1,624.60
1912		12,014.07
1913		111,112.72
1914		12,571.75
1915		4,252.58
1916		2,823.39
Net Gain	158,275.65	
	$215.954.48	$215,954.48

This net gain consists of the following net gains in each one of the three groups in which the losses and gains are presented:

Permanent Funds	$119,594.51	
Special Gifts	6,172.50	
Profit and Loss	32,508.64	$158.275.65

In the two foregoing statements the gain in the permanent funds resulting from the valuation in 1906 of properties previously owned is not included.

SUNDRIES

Appropriation

The results in connection with the expenditure of your appropriation are given in detail in Statement E. on pages 29-30 showing a net excess of appropriation above expenditure of $83.03. Statement E. does not include any figures showing the expenditure of the appropriation for the construction of Hedman Hall. For this purpose $21,300.00 was appropriated and $21,197.09 was expended, leaving an unexpended balance on that account of $102.91. Of the entire amount appropropriated, therefore, $185.94 was unexpended.

The overexpended balances are as follows:

Scholarship Aid	$1,539.30	
Service	1,139.13	$2,678.43

These overexpenditures have all been made in pursuance of the action of the Committee on Finance on April 28th, 1916, at which time the various necessities of the College were considered and emergencies were found to exist which required the Treasurer to exceed certain appropriations as indicated. By this action it was provided that the excess on the scholarship aid account should be taken from the unexpended balance of the appropriation for Expense of Education and the excess on the service account from the unexpended balance of the appropriation for Expense of Operation.

INVESTMENTS

Yankton North Side Water Company, $3,500.00 Mortgage 7s, 1912.

Payment under agreement noted in your Treasurer's report for the year ending April 30th, 1914, in settlement of the litigation in connection with these bonds has continued, and $1,673.85 net has been thus far received on account of the 50% settlement agreed upon. A further payment is expected and the balance will have to be written off.

Chicago & Eastern Illinois Railroad Company, $10,000.00 General Consol. and First Mortgage 5s, 1937.

This Company is in the hands of receivers, as noted in your Treasurer's last report, and the interest on our bonds continues to be advanced regularly by the protective committee with whom they have been deposited. These bonds were bought in February, 1913 at 108. For further information as to these bonds reference may be had to a letter from Messrs. Lee, Higginson & Company printed below.

Detroit, Grand Rapids & Western Railroad Company, $2,000.00 First Mortgage 4s, 1946.

Interest on these bonds was defaulted on April 1st, 1914, as noted in your Treasurer's report for that year. They have been deposited with a protective committee at the Old Colony Trust Company, and plans for reorganization appear to be in process of development. These bonds were bought in February, 1905 at 99. See letter from Messrs. Lee, Higginson & Company printed below.

Missouri Pacific Railway Company, $7,000.00 Trust Mortgage 5s, 1917.

Interest on these bonds was defaulted on September 1st, 1915. They have been deposited with a protective committee at the Columbia Trust Company, and since then the interest has been regularly advanced by the committee. These bonds were bought in March, 1905, at 107⅞. See letter from Messrs. Lee, Higginson & Company printed below.

Missouri, Kansas & Eastern Railway Company, $20,000.00 First Mortgage 5s, 1942.

Interest on these bonds was defaulted on April 1st, 1916, and they are about to be deposited with a protective committtee at the Columbia

Trust Company. These bonds were bought in September, 1894, at 82. See letter from Messrs. Lee, Higginson & Company printed below.

The following letter to your Treasurer from Messrs. Lee, Higginson & Company, under date of May 9th, 1916, was written in response to inquiries suggested by the Committee on Finance and contains valuable information and suggestions as to the securities specified:

"We have your letter of May 5th asking us to express an opinion in connection with certain securities so that you can put our statement in your annual report. We are very glad to do this for you without any charge.

Wabash Pittsburg Terminal Railway First 4s, 1954. This Company has been in receivership for many years. Several plans of reorganization have been proposed and abandoned. One is now before security holders. It has been partially underwritten and it is believed that there has been obtained sufficient consents so as to secure the carrying out of the plan. There has been some opposition to the plan; but it has not materialized, and present indications are that the plan will be carried out. The time for depositing securities under the plan has expired, but it is probable that the managers would accept securities at the present time.

Under the plan, first mortgage bonds are assessed $300.00 per $1,000.00 bond. For this there will be given $300.00 in new 6% preferred stock which will not be cumulative for three years, and $1,000.00 in new common stock. Also some shares of Wheeling & Lake Erie stock which have an aggregate present market value of about $25. To pay the assessment is perhaps the equivalent of buying the new preferred stock at 50 and the common stock at 12½. The new Company will have something over $5,000,000.00 debt, about $9,000,000.00 in new preferred stock and over $30,000,000. in new common stock. Judging from past performances it will probably have power to earn income of between $1,000,00.00 and $1,200.000.00 per year, or just about enough to pay the preferred dividend. However, there is no assurance that this can be fully earned or constantly earned. Based upon earning power alone and prospects for increases the new stock would, in our judgment, have considerably less value than the figures stated above. However, there are certain speculative possibilities in the situation which are causing some persons to pay the assessment.

The new Company will have an extensive passenger terminal and adjoining properties at Pittsburg, 63 miles of line running east from Pittsburg connecting with the Wheeling & Lake Erie, 35 miles of belt line around Pittsburg and valuable coal properties. These properties, including the real estate in Pittsburg, are said to represent a cost of approximately $35,000,000.00, and to have a theoretical present replacement value of about $40,000,000.00. If these properties can ever be made saleable or productive, both the preferred and common stock would have values perhaps as high as their par; but at present

they are neither saleable nor productive and no one has yet put forward a plan which promises to make them so.

Under the circumstances, we consider that to pay the assessment is by no means making an investment; but cannot be considered other than a speculative venture. We realize that there is some promise of success, but we believe that the market presents many opportunities for a speculative venture with more promise. As we look at the matter, therefore, it does not seem to us advisable for those acting in the trustee capacity to put further funds into the situation. On the other hand, the bonds cannot be sold at the present time to any advantage. They are selling nominally around, say, $10.00 per $1,000.00 bond. We do not advise you to sell. Of course, by holding, you may be wiped out entirely. On the other hand, there may be developments which will be kept open to the old bondholders and we believe you can afford to forego the small market price obtainable in order to keep in the situation as long as possible. Our advice, therefore, would be to continue to hold these bonds without taking any action.

Detroit, Grand Rapids & Western First 4s, 1946.

Interest has not been paid on April 1st, 1914, and subsequent coupons. The bonds are quoted at present 70 bid, offered at 80. We do not advise sale. If the bonds have not already been deposited with the protective committee, Old Colony Trust Company, Boston, Depositary, there would seem no immediate need of depositing at the present time.

The Pere Marquette went into receivership in 1912 and subsequently default has been made in respect to practically all of its interest charges. Up to a little less than two years ago net earnings declined to a point where the Company was showing a large operating deficit and there appeared to be no reasonable basis for reorganizing. However, the handling of the properties and the management of operation has been in good hands since 1912 and improvements are now showing in a marked way. During the past two years earnings have recovered so that there is a prospect of the road showing its entire fixed charges earned during the year to end June 30th, 1916.

The Detroit, Grand Rapids & Western First 4s, of which there are $5,379,000.00 outstanding, are secured by a first mortgage at the rate of about $14,400.00 per mile on mileage in the southern part of the lower peninsula of Michigan, including that part of the main line between Chicago and Buffalo which runs between Grand Rapids and Detroit, Michigan. The mileage is probably among the best parts of the system and the rate per mile compares with an average of about $30,000.00 for the entire system. Under these conditions it would seem that the bonds of this mortgage will go through reorganization on a favorable basis.

The properties are to be sold under foreclosure this spring so that it is reasonable to expect a plan of reorganization in the near future. We suggest that you continue to hold these bonds and put them

through reorganization provided the plan is as favorable to them as it should be. There should not be any material loss in connection with this issue.

Missouri Pacific Railway Trust 5s, 1917.

We advise deposit of these bonds with the Guaranty Trust Company of New York under the plan of reorganization put out July 1st, 1915, by Messrs. Kuhn, Loeb & Company, Readjustment Managers. This plan has not yet been declared effective; but large amounts of the securities have been deposited and foreclosure proceedings are progressing, so that at present it appears that this plan will eventually be carried out. Under the plan, the Trust 5s, 1917, are to be exchanged par for par for a new First and Refunding 5% bonds. Under the plan, the Missouri Pacific mileage and the St. Louis, Iron Mountain & Southern mileage are to be consolidated and taken over by a new Missouri Pacific Company. The entire funded debt of the Iron Mountain Company and a small portion of the funded debt of the Missouri Pacific Company are to be left undisturbed, aggregating $128,460,620.00. There will then be issued in exchange for the greater portion of the Missouri Pacific bonds and stocks as indicated in the following table:

PROPOSED CAPITALIZATION

Undisturbed Bonds	$128,460,620.00
New First & Refunding 5s, 1965	46,923.150.00
New General 4s	44,399,292.00
New Convertible 5% Pfd. Convertible from June 30, 1918	76,751,635.00
New Common	82,839,585.00

Based on income for the year ended June 30th, 1915, the new Company will have net income available for its bond interest of approximately $12,000,000.00. Current earnings are running slightly ahead of those of a year ago, so that for the year to end June 30th, 1916, the corresponding figures would be slightly in excess of $12,000,000.00. The new Company's fixed charges will aggregate $9,626,486.00, showing charges earned over 1¼ times. Excluding charges junior to the First and Refunding 5s, the charges will be under $8,000,000.00, showing that the interest on the bonds you are offered and interest prior to that earned more than 1½ times. In other words, you are offered a long time bond which will enjoy a fair investment position in exchange for the bonds you are holding. All things considered, we do not think that your bonds have been offered quite as much in reorganization as they deserve. However, under the circumstances, we are inclined to accept what is offered as the plan as a whole is a good one, and if it is upset by protesting bondholders the future is likely to hold out considerably less than you are offered in the plan. If you make the exchange you are not likely to lose anything excepting an early maturity in connection with the obligation. Under the plan interest is accruing on the new bonds from January 1st, 1916. The bonds are quoted 92 to 95.

Chicago & Eastern Illinois General Consolidated & First 5s, 1937.

May, 1915, and subsequent coupons have not been paid. The Company is a subsidiary of the St. Louis & San Francisco and has been in receivership since the latter went into receivership in May, 1912. Under the Frisco plan or reorganization, the Chicago & Eastern Illinois is to be cast adrift for a separate reorganization and will be no longer under the control of the Frisco. No plan of reorganization for the Chicago & Eastern Illinois has yet been formulated so that it is too early to anticipate the treatment which will be accorded the 5s which you hold.

The Company's fixed charges are running pretty close to $4,500,000.00. Its total income for the year ended June 30th, 1915, was $2,500,000.00; income having declined gradually from 1911, when it stood at a maximum at $5,200,000.00. Current earnings are slightly better than a year ago, so that the income for the year to end June 30th, 1916, is likely to be about $3,000,000.00.

The Company has a funded debt of about $73,000,000.00, of which approximately $35,000,000.00 are senior to the General Consolidated & First 5s, of which there are approximately $20,000,000.00 outstanding. They are followed by $18,000,000.00 Refunding & Improvement 4s. With the figures just given you will see that the Company at the present time is failing to earn its fixed charges by about $1,500,000.00. In other words, it is earning nothing toward the interest on the Refunding & Improvement 4s and earning possibly $250,000.00 toward the $1,000,000.00 interest required for the 5s which you hold.

The 5s are quoted at the present time 75 to 77. Under all the circumstances, we are inclined to recommend that you sell the bonds.

It is, of course, possible that there will be further improvement in earnings and that these bonds will be exchanged for securities which will ultimately sell higher. On the other hand, the prospect does not appear to us to be altogether favorable and, in any event, a better position seems some time ahead. We believe at 75 you can find securities of more use to you in the meantime and with as good or better prospects for the future. The new St. Louis & San Francisco Prior Lien 5s, now selling around 86 to 87, on the New York Curb, would seem to us to present an excellent exchange; or perhaps Kansas City, Memphis & Birmingham Income 5s, obtainable around 75, carrying 7½ points back interest which undoubtedly will be paid and become a fixed obligation of the new St. Louis & San Francisco Company, would make an attractive exchange for you.

Missouri, Kansas & Eastern First 5s, 1942.

This is one of the first mortgage divisional bonds of the Missouri, Kansas & Texas which went into receivership about a year ago on account of inability to meet the maturity of $19,000,000.00 notes. The Company has been earning its interest with a small margin for a number of years; but the margin has dwindled to a point where it has lost its credit and reorganization is necessary with a cutting down of fixed charges. A plan of reorganization is expected some

time this summer. Default on the Missouri, Kansas & Eastern division was made April 1st, 1916.

The bonds are secured by a first mortgage at the rate of about $24,000.00 per mile on 162 miles running west from St. Louis. This is one of the most important divisions of the line as it provides the Company with its entrance into St. Louis. The rate per mile compares with an average of $43,000.00 for the entire system. Under these circumstances we do not anticipate that the bonds will be any loss in reorganization. The bonds are quoted now around 77. We should not be inclined to sell but believe it advisable for you to deposit with the protective committee, for which the Columbia Trust Company, New York, is depositary.

Maryland & Pennsylvania First 4s, 1951.

We find no evidence to indicate that interest has not been paid on these bonds and we are advised by Messrs. Brown Brothers & Company, Paying Agents for the Company, that interest has been paid promptly. The bonds are quoted rather nominally 70 to 77.

The Maryland & Pennsylvania Railroad operates 79 miles of line between Baltimore and York, Penn. There are outstanding $897,000.00 of these First Mortgage 4% bonds preceded on part of the line by $202,450.00 York & Peach Bottom First 5s. They are followed by $1,200,000.00 junior obligations.

During the past ten years the Company's net income has been only slightly more than its fixed charges, there being a rather narrow surplus in some years and a small deficit in others. In the year ended June 30th, 1915, net income amounted to $133,000.00 comparing with $139,000.00 fixed charges. Current earnings are showing considerable improvement, and it looks now as though for the year to end June 30th, 1916, there would be a comfortable margin over fixed charges.

Inasmuch as the first mortgage bond interest represents less than one-half of the total fixed charges it would seem that these bonds are not in a dangerous position. On the other hand, they are the obligation of a small railroad which has not manifested much power to grow or improve its condition. We are not familiar with this situation and perhaps ought not to comment on it; but from superficial consideration of the figures it does not seem to us very promising. If you sell these bonds at 70 we are inclined to think you can find better bonds at the same price, or at least improve your position without diminishing the yield. It is quite possible that you can get around 77 for these bonds. The St. Louis & San Francisco Prior Lien 5s, which we mentioned above, are also issued under the same mortgage in 4% bonds. These 4s are now quoted at around 69 to 70, and would seem to us decidedly more attractive than the other bonds, not even taking into consideration the 5 to 7 points profit on the exchange. In the worst year the St. Louis & San Francisco has had in recent years it earned net $10,800,000.00 comparing with just over $9,000,000.00 as the entire amount of fixed charges for the new Company, and cur-

rent earnings are at the rate of 1½ times fixed charges. These Prior Lien bonds, therefore, seem to us to enjoy an investment position with an excellent outlook."

Slight changes have occurred in the dividend rate on stocks during the year, the principal ones being an increase to 5% on Western Union Telegraph Company stock, and a decrease to 5% on Baltimore & Ohio Railroad Company Common stock.

The following securities yielded no income during the year:

Detroit, Grand Rapids & Western Railroad		
1st Mortgage 4, 1946	$ 2,000.00	
Yankton North Side Water Company		
1st Mortgage 7, 1912	1,826.15	
Wisconsin Central Railway		
117 Shares Common Stock	11,700.00	
Rensselaer Water Company		
40 Shares Stock	4,000.00	
Old Colony Broken Stone & Concrete Company		
200 Shares Stock	1,000.00	
Southern Pacific Company		
34 Shares Stock (Certificate of Interest)	3,400.00	
Hebron Water Company		
Balance of Note	34.34	
These securities represent par values as follows:		
Bonds	$3,826.15	
Stocks	20,100.00	
Notes	34.34	$23,960.49

ACADEMY INVESTMENTS

Wabash Pittsburgh Terminal Railway Company
$6,000.00 First Mortgage 4s, 1954.

Of these bonds $3,000.00 are held for the account of the Coburn Endowment Fund and $3,000.00 for the account of the Hebron Endowment Fund. They have been in default since June 1st, 1908, and were deposited with a protective committee at the Old Colony Trust Company. By the authority of the Committee on Investment an assessment of $300.00 on each bond, called for by a plan of reorganization, was paid in February, 1916, and the bonds were written down to 50% of their par value. They were bought in February, 1905 at 92¾. Information and suggestions as to these bonds will be found in the letter from Messrs. Lee, Higginson & Company printed above.

Respectfully submitted,

GEORGE K. BOUTELLE,
Treasurer.

Waterville, Maine, June 2nd, 1916.

	1915	1916	Increase	Decrease
ASSETS				
Bonds	364,480.22	358,326.15		6,154.07
Stocks	93,100.00	93,700.00	600.00	
Notes Receivable				
Fund Notes	4,210.59	12,814.59	8,604.00	
Term and Semester Bill Notes	13,489.86	15,402.87	1,913.01	
Other Notes	270.00	401.64	131.64	
Real Estate				
Campus and Buildings	254,863.52	276,060.61	21,197.09	
Foss Hall	57,119.19	57,119.19		
President's House	10,000.00	10,000.00		
Phi Delta Theta House	8,000.00	8,000.00		
Dutton House	5,000.00	5,000.00		
Mary Low Hall	8,000.00	8,000.00		
Chapter House Improvements	4,712.88	4,712.88		
New Dormitory, 1915	9.70			9.70
Equipment				
Library and Art Collection	25,000.00	25,000.00		
Historical Library	2,200.00	2,200.00		
Biological Laboratory	1,000.00	1,000.00		
Chemical Laboratory	5,620.90	5,620.90		
Electrical Laboratory	4,973.02	4,973.02		
Geological Laboratory	2,500.00	2,500.00		
Physical Laboratory	4,000.00	4,000.00		
Unexpired Insurance	2,477,70	1,816.98		660.72

BALANCE SHEET—Continued

	1915	1916	Increase	Decrease
Accounts Receivable				
Academy Balances	14,000.49	13,000.49		1,000.00
Savings Bank Deposits	2,486.80	2,494.28	7.48	
Semester Bills	3,159.99	2,730.48		429.51
Sundry Accounts	406.67	701.85	295.18	
Cash	19 258.04	17,603.66		1,654.38
	910,339.57	933,179.59	32,748.40	9,908.38
Net Increase	22,840.02			22,840.02
	933,179.59	933,179.59	32,748.40	32,748.40
LIABILITIES				
Funds of Colby College	870,605.32	873,924.09	3,318.77	
Special Gifts	3,204.89	6,172.50	2,967.61	
Notes Payable		20,000.00	20,000.00	
Accounts Payable				
Athletic Association Dues	244.00	200.00		44.00
Chemistry Breakage	23.73	74.36	50.63	
Room Deposit	290.00	300.00	10.00	
Profit and Loss	35,971.63	32,508.64		3,462.99
	910,339.57	933,179.59	26,347.01	3.506.99
Net Increase	22,840.02			22,840.02
	933,179.59	933 179.59	26,347.01	26,347.01

STATEMENT B. May 1, 1915-April 30, 1916

DEBITS AND CREDITS TO ALL ACCOUNTS

	Debits	Credits
PERMANENT FUNDS		
Abram Snyder Scholarship Fund		
Gift of William H. Snyder		1.500.00
Knox Scholarship Fund		
Gift of Franklin Simmons		1,614.10
Class of 1888 Scholarship Fund		
Accumulation		2.62
Foster Memorial Prize Fund		
Accumulation		85.75
Class of 1899 Library Fund		
Accumulation		3.80
A. B. Cottle Fund		
Gifts, Class of 1891		112.50
		3,318.77
Gain on Fund Accounts	3,318.77	
	3,318.77	3,318.77
SPECIAL GIFTS		
Statement F.		
Expended	7,504.93	
Received		10,472.54
	7,504.93	10,472.54
Gain on Special Gifts	2,967.61	
	10,472.54	10,472.54
INCOME ACCOUNT		
Expense of Education		
Statement E	54,169.00	
Expense of Operation		
Statement E	33,150.00	
Sundries		
Interest Payable 1,260.00		24.05
Discount 1,663.50	2,923.50	
Income Invested Funds		
General Fund 11,546.60		
Education Society Fund 2,030.50		
J. Warren Merrill Fund 366.25		
W. H. Alden Fund 60.00		
Levi M. Stewart 3,550.00		
A. B. Cottle Fund 39.00		
Eliza A. Dexter Memorial Fund 795.00		
Colby Scholarship Fund 999.99		
Howe Scholarship Fund 85.00		
Class of 1888 Scholarship Fund 45.00		
Scholarship Loan Fund 27.50		
Special Prize Fund 249.34		
German Prize Fund 37.50		
Hamlin Prize Fund 14.58		
Library Fund 105.14		
M. H. Moor Library Fund 186.00		
Class of 1881 Library Fund 20.00		
Women's College Fund 52.00		20,209.40

DEBITS AND CREDITS TO ALL ACCOUNTS—Continued

		Debits	Credits
Interest			
Term and Semester Bill Notes	381.82		
Other Notes	3.00		
Bank Balances	367.24		752.06
Rents			
President's House	400.00		
Phi Delta Theta House	250.00		650.00
Semester Bills			
February, 1916	37,729.50		
June, 1916	35,748.49		73,477.99
Sundry Income			
Commencement Dinner		369.86	
Boarding Department	3,853.35		
General	50.00		3,903.35
		90,612.36	99,016.85
Gain on Income Account		8,404.49	
		99,016.85	99,016.85
PROFIT AND LOSS ACCOUNT			
Expense of Education			
Department of History	16.50		
Salary	2,750.00		
Scholarship Aid	817.50	3,584.00	
Sundries			
Notes Receivable		2,794.82	92.50
Accounts Receivable		82.34	59.22
Premium Account		4.57	
Discount		253.47	
Special Repairs		5,300.00	
		12,019.20	151.72
Loss on Profit and Loss Account			11,867.48
		12,019.20	12,019.20

	Funds		Special Gifts		Profit and Loss	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Balance, May 1, 1915						
Permanent Funds		870,605.32				
Special Gifts				3,204.89		
Profit and Loss Account						35,971.63
Gains						
Permanent Funds		3,318.77				
Special Gifts				2,967.61		
Income Account						8,404.49
Losses						
Profit and Loss Account					11,867.48	
Balance, April 30, 1916						
Permanent Funds	873,924.09					
Special Gifts			6,172.50			
Profit and Loss Account					32,508.64	
	873,924.09	873,924.09	6,172.50	6,172.50	44,376.12	44,376.12

NET GAINS

On all Accounts		
Gain on Funds	3,318.77	
Gain on Special Gifts	2,967.61	6,286.38
Loss on Profit and Loss Account		3,462.99
		2,823.39

Permanent Funds	Bonds	Stocks	Notes	Sundries		Balance Dr.	Balance Cr.	Total
General Fund	193,826.15	66,800.00	6,284.34	13,000.49	(1)		33,145.86	313,056.84
Education Society Fund	42,500.00	6,550.00	500.00			15.45		49,534.55
J. Warren Merrill Fund	1,000.00	6,000.00					299.64	7,299.64
W. H. Alden Fund	1,000.00							1,000.00
Levi M. Stewart Fund	75,000.00							75,000.00
Eliza A. Dexter Memorial Fund	18,000.00	1,000.00				275.00		18,725.00
Colby Scholarship Fund	12,500.00	4,500.00	1,800.00	637.50	(2)		416.05	19,853.55
Howe Scholarship Fund	2,000.00							2,000.00
Abram Snyder Scholarship Fund			1,500.00					1,500.00
Knox Scholarship Fund							1,614.10	1,614.10
Class of 1888 Scholarship Fund				1,181.82	(2)			1,181.82
Scholarship Loan Fund		250.00	730.25				270.38	1,250.63
Benjamin Loan Fund	5,000.00							5,000.00
Special Prize Fund	2,000.00	2,550.00	1,500.00				192.70	6,242.70
German Prize Fund	1,000.00					3.26		996.74
Hamlin Prize Fund			500.00				37.87	537.87
Foster Memorial Prize Fund		1,850.00					310.26	2,160.26
Library Fund	2,000.00	100.00		548.49	(2)	100.00		2,548.49
Keely Memorial Library Fund	1,000.00							1,000.00
M. H. Moor Library Fund		2,700.00					80.95	2,780.95
Class of 1881 Library Fund	500.00					41.69		458.31
Class of 1899 Library Fund				98.50	(2)			98.50
Women's College Fund	1,000.00	200.00				68.30		1,131.70
A. Bradbury Cottle Fund		1,200.00					33.25	1,233.25
Dexter Building Fund				57,119.19	(3)			57,119.19
Campus and Building Fund				233,500.00	(4)			233,500.00
Land Purchase Fund				31,000.00	(5)			31,000.00
Equipment Fund				36,100.00	(6)			36,100.00
	358,326.15	93,700.00	12,814.59	373,185.99		503.70	36,401.06	873,924.09

(1) Academy Balances. (2) Savings Bank Deposits. (3) Foss Hall. (4) Campus and Buildings. (5) College Houses. (6) Department Equipment.

Expense of Education	Expended			Appropriation	Balance	
	Profit and Loss	Income	Total		Dr.	Cr.
Department of Biology		224.78	224.78	225.00		.22
Department of Chemistry		1,219.79	1,219.79	1,400.00		180.21
Department of Geology		150.00	150.00	150.00		
Department of History	16.50	283.50	300.00	300.00		
Department of Library		996.26	996.26	1,000.00		3.74
Department of Physics		298.77	298.77	300.00		1.23
Prize		310.00	310.00	350.00		40.00
Salary	2,750.00	40,900.60	43,650.60	44,528.00		877.40
Scholarship Aid	817.50	8,221.80	9,039.30	7,500.00	1,539.30	
Sundry Expense		1,563.50	1,563.50	2,000.00		436.50
	3,584.00	54,169.00	57,753.00	57,753.00	1,539.30	1,539.30
Expense of Operation						
Fuel		5,000.00	5,000.00	5,000.00		
Light		800.00	800.00	800.00		
Water		800.00	800.00	800.00		
Service		9,139.13	9,139.13	8,000.00	1,139.13	
Boarding Supplies		8,500.00	8,500.00	8,500.00		
Repairs		2,500.00	2,500.00	2,500.00		
Advertising		279.61	279.61	400.00		120.39
Printing		833.59	833.59	1,000.00		166.41
Insurance and Tax		700.00	700.00	700.00		
Office Expense		1,167.05	1,167.05	1,250.00		82.95
Sundry Expense		3,430.62	3,430.62	4,200.00		769.38
		33,150.00	33,150.00	33,150.00	1,139.13	1,139.13

EXPENSE ACCOUNT—Continued

Other Charges	Expended			Appropriations	Balance	
	Profit and Loss	Income	Total		Dr.	Cr.
Interest Payable		1,260.00	1,260.00	1,260.00		
Discount	253.47	1,663.50	1,916.97	2,000.00		83.03
Special Repairs, Coburn Hall	1,725.00		1,725.00	1,725.00		
Special Repairs, Dutton House	1,825.00		1,825.00	1,825.00		
Special Repairs, North College	1,750.00		1,750.00	1,750.00		
	5,553.47	2,923.50	8,476.97	8,560.00		83.03
Totals						
Expense of Education	3,584.00	54,169.00	57,753.00	57,753.00	1,539.30	1,539 30
Expense of Operation		33,150.00	33,150.00	33,150.00	1,139.13	1,139.13
Other Charges	5,553.47	2,923.50	8,476.97	8,560.00		83.03
	9,137.47	90,242.50	99,379.97	99,463.00	2,678.43	2,761.46
Net Balance Unexpended			83.03		83.03	
	9.137.47	90,242.50	99,463.00	99,463.00	2,761.46	2,761.46

	Balance May 1					Balance April 30	
	Dr.	Cr.	Received	Total	Expended	Dr.	Cr.
Pictures		40.52		40.52			40.52
Lectures		165.50	200.00	365.50	392.25	26.75	
Special Account		2.52	600.00	602.52	602.52		
Special Athletic Association	50.00					50.00	
Forrest Goodwin Prize		100.00	100.00	200.00	200.00		
F. M. Hallowell Prize		154.50	100.00	254.50	103.10		151.40
W. H. Lyford Prize			200.00	200.00	100.00		100.00
G. E. Murray Prize		100.00	100.00	200.00	200.00		
Benjamin Loan		153.05	683.38	836.43	835.50		.93
Boys' Loan		24.45	65.45	89.90	39.45		50.45
D. W. Hall Scholarship			50.00	50.00	50.00		
Warren Art		26.91	1.06	27.97			27.97
Melchor Library		.14		.14			.14
Emergency		101.27		101.27	24.00		77.27
Gate		396.15		396.15			396.15
L. C. Cornish, Pictures			75.00	75.00	75.00		
J. K. Plummer, Trees	48.00					48.00	
Sherman D. Porter			4,750.00	4,750.00			4,750.00
Christmas, 1914		2,037.88	10.00	2,047.88	2,047.88		
Christmas, 1915			3,537.65	3,537.65	2,835.23		702.42
	98.00	3,302.89	10,472.54	13,775.43	7,504.93	124.75	6,297.25
Net Balance Unexpended						6,172.50	

DEBITS	Old Bills	Feb'y Bills	June Bills	Totals	
Balance, May 1, 1915					
Men's Division	2,943.64				
Women's Division	216.35				3,159.99
Charges, May 1, 1915-April 30, 1916					
Men's Division		18,548.00	18,027.80	36,575.80	
Women's Division	25.00	21,056.50	19,624.50	40,706.00	77,281.80
	3,184.99	39,604.50	37,652.30	77,281.80	80,441.79
CREDITS					
Cash					
Men's Division	652.28	11,960.75	8,480.24	21,093.27	
Women's Division	166.35	18,364.50	14,206.25	32,737.10	53,830.37
Notes Receivable					
Men's Division	815.15	4,119.50	2,568.75	7,503.40	
Women's Division		363.50	515.50	879.00	8,382.40
Benjamin Loan					
Women's Division		381.00	454.50	835.50	835.50
Scholarship Aid					
Men's Division	722.50	1,012.50	5,300.00	7,085.00	
Women's Division		140.00	2,295.00	2,435.00	9,520.00
Service					
Men's Division		79.25	88.07	167.32	
Women's Division		1,379.50	1,495.25	2,874.75	3,042.07
Discount					
Men's Division	293.47	1,207.00	315.50	1,815.97	
Women's Division		65.50	219.50	285.00	2,100.97
Balance					
Men's Division	410.24	169.00	1,275.24	1,854.48	
Women's Division	75.00	362.50	438.50	876.00	2,730.48
	3,184.99	39,604.50	37,652.30	80,441.79	80,441.79

STATEMENT H. May 1, 1915-April 30, 1916

CASH STATEMENT

	Receipts	Disbursements
Balance, May 1, 1915		
Colby College.....19,258.04		
Academies 1,475.49	20,733.53	
Bonds		
Colby College.....	7,607.83	1,458.33
Academies		1,805.66
Stocks		
Colby College.....	25.00	625.00
Fund Notes		
Colby College.....	146.00	8,750.00
Notes Receivable		
Term and Semester Bill Notes.....	3,360.57	
Other Notes.....	100.00	365.00
Notes Payable		
New Dormitory Account, July 1, 1915..	20,000.00	
Accounts Receivable		
Semester Bills.....	52,562.87	
Sundry Accounts.....	72.75	725.99
Sundry Accounts		
Expense of Education.....	138.63	48,185.62
Expense of Operation.....	86.95	29,484.22
Interest Payable.....	24.05	1,260.00
Discount		72.00
Athletic Association Dues.....	14.00	2,625.00
Room Deposit.....	1,307.50	30.00
Profit and Loss.....	126.72	
Commencement Dinner.....	277.93	647.79
Chemistry Breakage.....	73.53	22.90
Special Repairs.....	6.97	5,465.49
New Dormitory, 1915.....	.32	21,168.47
Special Gifts		
A. B. Cottle Fund.....	112.50	
Abram Snyder Scholarship Fund.....	1,500.00	
Knox Scholarship Fund.....	1,614.10	
Special Account.....	600.00	632.52
Forrest Goodwin Prize.....	100.00	200.00
F. M. Hallowell Prize.....	100.00	103.10
W. H. Lyford Prize.....	200.00	100.00
G. E. Murray Prize.....	100.00	200.00
Benjamin Loan.....	433.38	
Boys' Loan.....	65.45	39.45
D. W. Hall Scholarship.....	50.00	
Lectures	200.00	392.25
L. C. Cornish, Pictures.....	75.00	75.00
Sherman D. Porter.....	4,750.00	
Emergency		24.00
Christmas, 1914.....	10.00	338.61
Christmas, 1915.....	3,537.65	267.23

CASH STATEMENT—Continued

	Receipts	Disbursements
Colby Income		
Interest	17,229.21	200.00
Dividends	4,042.00	
Sundry Income	226.85	
Academy Income	4,326.22	3,100.22
Balance, April 30, 1916		
Colby College		17,603.66
	145,937.51	145,937.51

STATEMENT I. ACADEMY BALANCE SHEET April 30, 1916

	Coburn	Hebron	Higgins	Ricker
ASSETS				
Bonds	16,500.00	43,500.00	12,000.00	13,000.00
Stocks	600.00	10,150.00	1,000.00	6,700.00
Notes	7,595.31	500.00	1,714.18	3,000.00
Savings Bank Deposits		684.07		300.00
Uninvested Balance		39.57	125.23	92.40
	24,695.31	54,873.64	14,839.41	23,092.40
LIABILITIES				
Endowment Funds	20,452.01	22,977.10	13,891.86	22,204.90
Special Funds	3,655.93	31,896.54	947.55	887.50
Overinvested Balance	587.37			
	24,695.31	54,873.64	14,839.41	23,092.40

STATEMENT J. ACADEMY INCOME ACCOUNTS May 1, 1915- April 30, 1916

	Coburn	Hebron	Higgins	Ricker
CHARGES				
Academy Treasurer	547.69	1,364.27	42.91	1,026.02
Interest on Advances	156.00	70.00		
Applied on Advances		1,000.00		
College Treasurer	25.31	56.08	14.84	23.10
	729.00	2,490.35	57.75	1,049.12
CREDITS				
Income Invested Funds	729.00	2,490.35	57.75	1,049.12
	729.00	2,490.35	57.75	1,049.12

COMMITTEE ON INVESTMENT

To the Trustees:

Your Committee on Investment begs respectfully to report that the following securities have been bought for the account of the funds of Colby College and the Academies, with its authority and with the concurrence of all its members during the fiscal year ending April 30th, 1916.

PURCHASES

BONDS

Maine Central Railroad Company 1st & Refunding Mortgage 4½s, due 1935, $1,000.00 at 100.457. Levi M. Stewart Fund account. Bought of Maine Central Railroad Company.

STOCKS

Maine Central Railroad Company Preferred stock, 6 shares at 100. A. B. Cottle Fund account. Bought of Maine Central Railroad Company.

NOTES

Florence Haviland, Note due January 10th, 1917, $8,750.00 at 100. Account of General, Education Society, Special Prize, Hamlin Prize and Abram Snyder Scholarship Funds. Bought of Florence Haviland.

In addition to the foregoing purchases the Committee authorized the payment in February, 1916, of an assessment of $300.00 on each $1,000.00 bond on $6,000.00 Wabash Pittsburgh Terminal Railway 1st. Mortgage 4s, 1954, of which $3,000.00 are held for the account of the Coburn Endowment Fund and $3,000.00 for the account of the Hebron Endowment Fund.

SALES

No sales were made during the year except of fractional bond and preferred stock scrip of the Maine Central Railroad Company acquired in connection with the purchase of those securities noted above and held only temporarily.

Respectfully submitted

DUDLEY P. BAILEY,
ARNO W. KING,
LESLIE C. CORNISH,
Committee on Investment.

Waterville, Maine, June 8th, 1916.

Certificate of Committee on Finance

We hereby certify that George K. Boutelle, Treasurer of Colby College, has exhibited to us, in support of his statement of assets of April 30th, 1916, bonds, stocks and notes to the par value of $581,-100.23, as follows:

Bonds	$443,326.15	
Stocks	112,150.00	
Notes	25,624.08	
		$581,100.23

and the same appear by appropriate designation to be held for the account and funds of Colby College, Coburn Classical Institute, Hebron Academy, Higgins Classical Institute and Ricker Classical Institute as set forth in the Balance Sheet and Schedules presented in his report for the year ending April 30th, 1916, as follows:

	Bonds	Stocks	Notes
Colby College	$358,326.15	$93,700.00	$12,814.59
Coburn Classical Institute	16,500.00	600.00	7,595.31
Hebron Academy	43,500.00	10,150.00	500.00
Higgins Classical Institute	12,000.00	1,000.00	1,714.18
Ricker Classical Institute	13,000,00	6,700.00	3,000.00
	$443,326.15	$112,150.00	$25,624.08

DUDLEY P. BAILEY,
For Committee on Finance.

Waterville, Maine, May 27th, 1916.

Auditor's Certificate

I have examined the accounts of George K. Boutelle, Treasurer of Colby College, for the period commencing May 1st, 1915, and ending April 30th, 1916. I find that the income from investments and other property of the College and funds from the sale of securities, etc., have been accounted for, that the cash account has been correctly kept and that there have been proper vouchers for all payments made.

A. F. DRUMMOND,
Auditor.

Waterville, Maine, June 12th, 1916.

UNIVERSITY OF ILLINOIS-URBANA
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